



# DEAN FINANCIAL

Insurance, Financial Planning And Retirement

Adium is now backed by Manulife Insurance. It was previously backed by Sunlife.

Summary of the key differences between RBC Professional Disability and Adium Association Disability.

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## Key Differences:

- › The RBC Professional Series contract is a non-cancelable plan - fully owned and controlled by the insured, meaning all definitions and provisions within the contract are guaranteed, including the premiums until age 65 vs them not owning the 3<sup>rd</sup> party certificate of insurance through Adium.
- › The Adium plan requires the insured to be actively practicing full time and can only be kept up until retirement or age 75, whichever is earlier vs the RBC Insurance plan does not.
- › The Adium plan doesn't have partial disability as a definition vs. RBC Insurance which has total, partial, residual, presumptive imbedded in the contract.
- › To port their coverage outside of Canada they require the insured to have an AMA non-resident membership.
- › Can only get up to \$25K of coverage through the Adium plan vs up to \$40K with RBC
- › They will only allow up to 6/9 months if the client is intermittently disabled to satisfy the elimination period vs 12 months with RBC Insurance.
- › Recurrent Total Disability resulting from the same cause is only allowed within 6 months. After 6 months they would need to satisfy the elimination period again. RBC Insurance allows up to 12 months.
- › Depending on the client's income, RBC Insurance has higher issue and participation limits than the Adium plan (particularly at some of the higher income ranges)

- Example:

	<u>Client Income</u>	
	<u>\$212,000</u>	<u>\$260,000</u>
RBC maximum benefit	\$8,875	\$10,275
Adium maximum benefit	\$8,600	\$10,000

- › COLA is based on the CPI to a max of 6% vs RBC Insurance, where it is based on CPI with a min of 2% and up to a max of 10% (average over the last 25 years has been 1.8%).
- › Starting at incomes of \$90,000+ RBC Insurance's Retirement protector can be purchased up to a maximum of \$1,500 vs the Adium of only \$500 (if under \$100,000 of income) up to \$1,000 (if income is over \$100,000)

## BOE Coverage

- › Available up to \$40,000 with RBC Insurance vs only \$30,000 with Adium

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Last updated April 2020

- › Restricted to a 30 day EP (waiting period) for benefit amounts in excess of \$8,000/mth with Adium vs. RBC Insurance where client can choose to have a 15 day EP if they wish.
- › Adium plan can only have residual vs with RBC Insurance's policy, it comes with 3 months of partial or client can choose to extend to 6 months or choose Residual.
- › Same concerns as Individual DI coverage with regards to intermittent disabilities to satisfy the EP and recurrent disabilities

In addition to the above, the Adium plan rates are subject to change every 5 years when they reach a new ages band, in addition to the possibility of being changed at any time by the insurance provider. RBC insurance's DI & CI plans also have the ability to convert to Long-Term Care between the ages of 55 and 65. This is a contractual right with very minimal qualifications.

The discount with the Adium plan has quietly been removed from when it was 20% last year. The 25% discount on the RBC Insurance plan is a lifetime discount, guaranteed.